

Schary, Claire

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Sent: Tuesday, August 19, 2014 9:07 AM
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Cc: MacIntyre, Mark; Holsman, Marianne
Subject: Good article: Water quality trading recommendations for PNW

I'm really pleased with how well this article turned out.

-- Claire

FROM BNA's Daily Environment Report:

Water Trading EPA, States, Release Recommendations For Pacific Northwest Water Quality Trading

By Paul Shukovsky

Aug. 18 — Draft guidance containing the key components and recommendations needed to implement water quality trading programs in the Pacific Northwest were released by three state water quality agencies, the Environmental Protection Agency and two conservation organizations.

The draft guidance, released Aug. 5, provide recommendations and approaches Oregon, Idaho and Washington can use to implement pilot trading programs that will help them achieve water quality objectives in a transparent manner that also complies with the Clean Water Act. The participants plan to reconvene to share how the pilot projects progress and to make any refinements to the trading recommendations by the fall of 2015.

One type of water quality challenge that might be addressed through trading is maintaining water temperatures that are cool enough to sustain salmon habitat, officials said.

Two permitted projects already are under way in the Tualatin and Rogue River basins in Oregon, where wastewater treatment facilities are planting trees along riparian zones to shade the water rather than paying much more to install the equipment necessary to cool treatment plant effluent, Carrie Sanneman, ecosystem services project manager with the Willamette Partnership, told Bloomberg BNA Aug. 18.

"The Northwest has been really poised to have this conversation," Sanneman said.

The partnership and another Oregon-based conservation organization, The Freshwater Trust, are facilitating the interstate dialogue.

"EPA recognizes that water quality trading could, in certain instances, yield better results for the environment," Christine Psyk, associate director of the EPA Region 10 Office of Water and Watersheds told Bloomberg BNA Aug. 11. "But it has to be done right. Now we have more information about what it takes to have good water quality trading projects."

Key Components Needed for Trading

Sanneman listed some of the key components of a trading program identified in the draft for consideration by state agencies in forging their rules, policies and guidance including:

- Establishing clear baseline thresholds that nonpoint sources are required to meet before selling credits,
- Setting eligibility requirements on who can participate in a trading program,
- Tracking credits over time to understand their ownership,
- Quantifying water quality benefits of individual conservation and restoration projects,
- Verifying promised water quality benefits are being delivered and
- Ensuring trading fits into Clean Water Act compliance and enforcement requirements.

Thirteen states—including Washington, Oregon and Idaho—have some form of guidance for water quality trading, ranging from draft guidance not being put to use to active trading, Sanneman said. “The Northwest is one of the active areas with trading activity going on in Oregon and a lot of interest in Washington and Idaho.” In the last legislative session, Washington enacted a law to study implementation of trading (64 DEN A-12, 4/3/14).

Multiple Benefits

Speaking about the Tualatin project, Sanneman said by “providing shade to waterways instead of installing mechanical cooling technology, it is saving over \$100 million for their ratepayers. Those riparian forests are providing carbon sequestration, habitat for birds and wildlife, improving habitat for fish, and they are also giving contract rental payments to the landowners at two times the government rental rate.”

Psyk praised the trading recommendations. They provide “good ideas of what a water quality trading program could have to be robust, transparent and rigorous,” she said. “But these are not binding. The states could choose to adopt some or all of it. And they would have to run it through their public process to adopt it.”

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For More Information

To view the regional recommendations for water quality trading, go to:

<http://willamettepartnership.org/regional-recommendations-for-water-quality-trading-in-the-pacific-northwest>.

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